

SENATE BILL No. 279

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-15; IC 6-1.1-17-3.

Synopsis: Property tax assessment. Provides that a county or township assessing official who receives a notice for review filed by a taxpayer shall hold a preliminary informal meeting with the taxpayer to resolve as many issues as possible. Provides that if a township assessor determines that the township assessor has made an error in an assessment, the township assessor shall, on the township assessor's own initiative, correct the error. Specifies that the township assessor shall: (1) correct the error without requiring the taxpayer to file a notice with the county property tax assessment board of appeals requesting a review of the township assessor's original assessment; and (2) give notice of the correction. Provides that the township assessor may not increase an assessment under these provisions. Provides that if a correction results in a reduction of the amount of an assessment of a taxpayer's property, the taxpayer is entitled to a credit on the taxpayer's next tax installment.

Effective: Upon passage; January 1, 2008 (retroactive).

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January 10, 2008, read first time and referred to Committee on Tax and Fiscal Policy.

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Introduced

Second Regular Session 115th General Assembly (2008)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2007 Regular Session of the General Assembly.

SENATE BILL No. 279

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-1.1-15-1, AS AMENDED BY P.L.1-2008,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: Sec. 1. (a) A taxpayer may obtain a review by the
4 county board of a county or township official's action with respect to
5 the assessment of the taxpayer's tangible property if the official's action
6 requires the giving of notice to the taxpayer.

7 **(b)** At the time that notice is given to the taxpayer, the taxpayer
8 shall also be informed in writing of:

9 (1) the opportunity for a review under this section, including a
10 **preliminary informal** meeting under subsection (h) with the
11 county or township official referred to in ~~this~~ subsection **(a)** and

12 (2) the procedures the taxpayer must follow in order to obtain a
13 review under this section.

14 ~~(b)~~ **(c)** In order to obtain a review of an assessment effective for the
15 assessment date to which the notice referred to in subsection ~~(a)~~ **(b)**
16 applies, the taxpayer must file a notice in writing with the county or
17 township official referred to in subsection (a) not later than forty-five

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(45) days after the date of the notice referred to in subsection ~~(a)~~ **(b)**.

~~(c)~~ **(d)** A taxpayer may obtain a review by the county board of the assessment of the taxpayer's tangible property effective for an assessment date for which a notice of assessment is not given as described in subsection ~~(a)~~ **(b)**. To obtain the review, the taxpayer must file a notice in writing with the township assessor of the township in which the property is subject to assessment. The right of a taxpayer to obtain a review under this subsection for an assessment date for which a notice of assessment is not given does not relieve an assessing official of the duty to provide the taxpayer with the notice of assessment as otherwise required by this article. For an assessment date in a year before 2009, the notice must be filed on or before May 10 of the year. For an assessment date in a year after 2008, the notice must be filed not later than the later of:

(1) May 10 of the year; or

(2) forty-five (45) days after the date of the statement mailed by the county auditor under IC 6-1.1-17-3(b).

~~(d)~~ **(e)** A change in an assessment made as a result of a notice for review filed by a taxpayer under subsection ~~(c)~~ **(d)** after the time prescribed in subsection ~~(c)~~ **(d)** becomes effective for the next assessment date. A change in an assessment made as a result of a notice for review filed by a taxpayer under subsection ~~(b)~~ **or (c) or (d)** remains in effect from the assessment date for which the change is made until the next assessment date for which the assessment is changed under this article.

~~(e)~~ **(f)** The written notice filed by a taxpayer under subsection ~~(b)~~ **or (c) or (d)** must include the following information:

(1) The name of the taxpayer.

(2) The address and parcel or key number of the property.

(3) The address and telephone number of the taxpayer.

(g) The filing of a notice under subsection (b) or (c):

(1) initiates a review under this section; and

(2) constitutes a request by the taxpayer for a preliminary informal meeting with the township official or county official referred to in subsection (a).

~~(f)~~ **(h)** A county or township official who receives a notice for review filed by a taxpayer under subsection ~~(b)~~ **or (c) or (d)** shall:

(1) immediately forward the notice to the county board; and

(2) attempt to hold a preliminary informal meeting with the taxpayer to resolve as many issues as possible by:

(A) discussing the specifics of the taxpayer's assessment or deduction;

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- (B) reviewing the taxpayer's property record card;
- (C) explaining to the taxpayer how the assessment or deduction was determined;
- (D) providing to the taxpayer information about the statutes, rules, and guidelines that govern the determination of the assessment or deduction;
- (E) noting and considering objections of the taxpayer;
- (F) considering all errors alleged by the taxpayer; and
- (G) otherwise educating the taxpayer about:
 - (i) the taxpayer's assessment or deduction;
 - (ii) the assessment or deduction process; and
 - (iii) the assessment or deduction appeal process.

(i) Not later than ten (10) days after a preliminary informal meeting under subsection (h), the official referred to in subsection (a) shall forward to the county auditor and the county board the results of the meeting on a form prescribed by the department of local government finance that must be completed and signed by the taxpayer and the official. The form must indicate the following:

(1) If the taxpayer and the official agree on the resolution of all assessment or deduction issues in the review, a statement of:

- (A) those issues; and
- (B) the assessed value of the tangible property or the amount of the deduction that results from the resolution of those issues in the manner agreed to by the taxpayer and the official.

(2) If the taxpayer and the official do not agree on the resolution of all assessment or deduction issues in the review, a statement of:

- (A) the issues on which the taxpayer and the official agree; and
- (B) the issues on which the taxpayer and the official disagree.

(j) If the county board receives a form described in subsection (i)(1) before the hearing scheduled under subsection (k):

- (1) the county board shall cancel the hearing;
- (2) the county official referred to in subsection (a) shall give notice to the taxpayer, the county board, the township assessor, the county assessor, and the county auditor of the assessment or deduction in the amount referred to in subsection (i)(1)(B); and
- (3) if the matter at issue is the assessment of tangible

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property, the county board may reserve the right to change the assessment under IC 6-1.1-13.

~~(g)~~ (k) If:

(1) subsection (i)(2) applies; or

(2) the county board does not receive a form referred to in subsection (i) not later than one hundred twenty (120) days after the date of the notice for review filed by the taxpayer under subsection (c) or (d);

the county board shall hold a hearing on a review under this subsection not later than one hundred eighty (180) days after the date of the notice for review filed by the taxpayer under subsection ~~(b)~~ or (c) or (d). The county board shall, by mail, give notice of the date, time, and place fixed for the hearing to the taxpayer and the county or township official with whom the taxpayer filed the notice for review. The taxpayer and the county or township official with whom the taxpayer filed the notice for review are parties to the proceeding before the county board.

~~(h)~~ Before the county board holds the hearing required under subsection (g), the taxpayer may request a meeting by filing a written request with the county or township official with whom the taxpayer filed the notice for review to:

- (1) attempt to resolve as many issues under review as possible; and
- (2) seek a joint recommendation for settlement of some or all of the issues under review.

A county or township official who receives a meeting request under this subsection before the county board hearing shall meet with the taxpayer. The taxpayer and the county or township official shall present a joint recommendation reached under this subsection to the county board at the hearing required under subsection (g). The county board may adopt or reject the recommendation in whole or in part.

~~(i)~~ (l) At the hearing required under subsection ~~(g)~~: **subsection (k):**

- (1) the taxpayer may present the taxpayer's reasons for disagreement with the assessment **or deduction**; and
- (2) the county ~~or township~~ official with whom the taxpayer filed the notice for review must present:

- (A) the basis for the assessment **or deduction** decision; and
- (B) the reasons the taxpayer's contentions should be denied.

~~(j)~~ (m) **The official referred to in subsection (a) may not require the taxpayer to provide documentary evidence at a preliminary informal meeting under subsection (h).** The county board may not require a taxpayer to file documentary evidence or summaries of statements of testimonial evidence before the hearing required under

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~~subsection (g).~~ **subsection (k).** If the action for which a taxpayer seeks review under this section is the assessment of tangible property, the taxpayer is not required to have an appraisal of the property in order to do the following:

(1) Initiate the review.

(2) Prosecute the review.

~~(k) Regardless of whether the county board adopts a recommendation under subsection (h);~~ **(n)** The county board shall prepare a written decision resolving all of the issues under review. The county board shall, by mail, give notice of its determination not later than one hundred twenty (120) days after the hearing under ~~subsection (g)~~ **subsection (k)** to the taxpayer, **the official referred to in subsection (a),** the county assessor, and the ~~township assessor; county auditor.~~

~~(+)~~ **(o)** If the maximum time elapses:

(1) under ~~subsection (g)~~ **subsection (k)** for the county board to hold a hearing; or

(2) under ~~subsection (k)~~ **subsection (n)** for the county board to give notice of its determination;

the taxpayer may initiate a proceeding for review before the Indiana board by taking the action required by section 3 of this chapter at any time after the maximum time elapses.

SECTION 2. IC 6-1.1-15-12.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: **Sec. 12.5. (a) If a township assessor determines that the township assessor has made an error concerning:**

(1) the assessed valuation of property;

(2) the name of a taxpayer; or

(3) the description of property;

in an assessment, the township assessor shall on the township assessor's own initiative correct the error. However, the township assessor may not increase an assessment under this section. The township assessor shall correct the error in the assessment without requiring the taxpayer to file a notice with the county board requesting a review of the township assessor's original assessment.

(b) If a township assessor corrects an error under this section, the township assessor shall give notice of the correction to the taxpayer, the county auditor, and the county board.

(c) If a correction under this section results in a reduction of the amount of an assessment of a taxpayer's property, the taxpayer is entitled to a credit on the taxpayer's next tax installment equal to

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1 **the amount of any overpayment of tax that resulted from the**
 2 **incorrect assessment.**

3 SECTION 3. IC 6-1.1-17-3, AS AMENDED BY P.L.219-2007,
 4 SECTION 49, AND AS AMENDED BY P.L.224-2007, SECTION 5,
 5 IS CORRECTED AND AMENDED TO READ AS FOLLOWS
 6 [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) The proper officers of a
 7 political subdivision shall formulate its estimated budget and its
 8 proposed tax rate and tax levy on the form prescribed by the
 9 department of local government finance and approved by the state
 10 board of accounts. The political subdivision shall give notice by
 11 publication to taxpayers of:

- 12 (1) the estimated budget;
- 13 (2) the estimated maximum permissible levy;
- 14 (3) the current and proposed tax levies of each fund; and
- 15 (4) the amounts of excessive levy appeals to be requested.

16 In the notice, the political subdivision shall also state the time and
 17 place at which a public hearing will be held on these items. The notice
 18 shall be published twice in accordance with IC 5-3-1 with the first
 19 publication at least ten (10) days before the date fixed for the public
 20 hearing. Beginning in 2009, the duties required by this subsection must
 21 be completed before August 10 of the calendar year. A political
 22 subdivision shall provide the estimated budget and levy information
 23 required for the notice under subsection (b) to the county auditor on the
 24 schedule determined by the department of local government finance.

25 (b) Beginning in 2009, before August 10 of a calendar year, the
 26 county auditor shall mail to the last known address of each person
 27 liable for any property taxes, as shown on the tax duplicate, or to the
 28 last known address of the most recent owner shown in the transfer
 29 book, a statement that includes:

- 30 (1) the assessed valuation as of the assessment date in the current
 31 calendar year of tangible property on which the person will be
 32 liable for property taxes first due and payable in the immediately
 33 succeeding calendar year and notice to the person of the
 34 opportunity to appeal the assessed valuation under
 35 ~~IC 6-1.1-15-1(b); IC 6-1.1-15-1(e);~~ **IC 6-1.1-15-1;**
- 36 (2) the amount of property taxes for which the person will be
 37 liable to each political subdivision on the tangible property for
 38 taxes first due and payable in the immediately succeeding
 39 calendar year, taking into account all factors that affect that
 40 liability, including:
 - 41 (A) the estimated budget and proposed tax rate and tax levy
 42 formulated by the political subdivision under subsection (a);

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- 1 (B) any deductions or exemptions that apply to the assessed
 2 valuation of the tangible property;
 3 (C) any credits that apply in the determination of the tax
 4 liability; and
 5 (D) the county auditor's best estimate of the effects on the tax
 6 liability that might result from actions of:
 7 (i) the county board of tax adjustment *(before January 1,*
 8 *2009) or the county board of tax and capital projects review*
 9 *(after December 31, 2008); or*
 10 (ii) the department of local government finance;
 11 (3) a prominently displayed notation that:
 12 (A) the estimate under subdivision (2) is based on the best
 13 information available at the time the statement is mailed; and
 14 (B) based on various factors, including potential actions by:
 15 (i) the county board of tax adjustment *(before January 1,*
 16 *2009) or the county board of tax and capital projects review*
 17 *(after December 31, 2008); or*
 18 (ii) the department of local government finance;
 19 it is possible that the tax liability as finally determined will
 20 differ substantially from the estimate;
 21 (4) comparative information showing the amount of property
 22 taxes for which the person is liable to each political subdivision
 23 on the tangible property for taxes first due and payable in the
 24 current year; and
 25 (5) the date, time, and place at which the political subdivision will
 26 hold a public hearing on the political subdivision's estimated
 27 budget and proposed tax rate and tax levy as required under
 28 subsection (a).
 29 (c) The department of local government finance shall:
 30 (1) prescribe a form for; and
 31 (2) provide assistance to county auditors in preparing;
 32 statements under subsection (b). Mailing the statement described in
 33 subsection (b) to a mortgagee maintaining an escrow account for a
 34 person who is liable for any property taxes shall not be construed as
 35 compliance with subsection (b).
 36 (d) The board of directors of a solid waste management district
 37 established under IC 13-21 or IC 13-9.5-2 (before its repeal) may
 38 conduct the public hearing required under subsection (a):
 39 (1) in any county of the solid waste management district; and
 40 (2) in accordance with the annual notice of meetings published
 41 under IC 13-21-5-2.
 42 (e) The trustee of each township in the county shall estimate the

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amount necessary to meet the cost of township assistance in the township for the ensuing calendar year. The township board shall adopt with the township budget a tax rate sufficient to meet the estimated cost of township assistance. The taxes collected as a result of the tax rate adopted under this subsection are credited to the township assistance fund.

(f) A county shall adopt with the county budget and the department of local government finance shall certify under section 16 of this chapter a tax rate sufficient to raise the levy necessary to pay the following:

(1) The cost of child services (as defined in IC 12-19-7-1) of the county payable from the family and children's fund.

(2) The cost of children's psychiatric residential treatment services (as defined in IC 12-19-7.5-1) of the county payable from the children's psychiatric residential treatment services fund.

A budget, tax rate, or tax levy adopted by a county fiscal body or approved or modified by a county board of tax adjustment that is less than the levy necessary to pay the costs described in subdivision (1) or (2) shall not be treated as a final budget, tax rate, or tax levy under section 11 of this chapter.

SECTION 4. [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]
IC 6-1.1-15-12.5, as added by this act, applies to assessment dates after December 31, 2007.

SECTION 5. **An emergency is declared for this act.**

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